

UNIFIED SCHOOL DISTRICT NUMBER 367
Osawatomie, Kansas

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

For Year Ended June 30, 2020

Unified School District 367
Osawatomie, Kansas

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District Number 367
Osawatomie, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District Number 367, Osawatomie, Kansas, as of and for the year ended June 30, 2020 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by the Unified School District Number 367, Osawatomie, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District Number 367, Osawatomie, Kansas as of June 30, 2020, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Unified School District Number 367, Osawatomie, Kansas as of June 30, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Other Matters - Supplementary Information

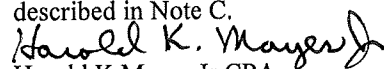
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, and schedule of regulatory basis receipts and expenditures-district activity funds (Schedule 1, 2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying Schedule of Expenditures of Federal Awards is also presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Prior Year Comparative

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Unified School District Number 367, Osawatomie, Kansas as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated May 14, 2020, which contained an unmodified opinion on the basic financial statement. The 2019 basic financial statements and accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/oar/municipal-services>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2020 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2019 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statement or to the 2019 basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2019, on the basis of accounting described in Note C.



Harold K Mayes Jr CPA

Agler & Gaeddert, Chartered

Ottawa, Kansas

January 4, 2021

Unified School District Number 367
Osawatomie, Kansas

SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For Year Ended June 30, 2020

	<u>Beginning Unencumbered Cash Balances</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>
Governmental type funds			
General Funds			
General	\$ 0	\$ 0	\$ 9,658,852
Supplemental general	5,976	0	3,294,711
Special Purpose Funds			
Adult education	831	0	51,546
Adult Supplementary Education	1,487	0	532,388
At risk - 4 year old	413	0	60,000
At risk - K-12	91	0	1,171,582
Capital outlay	108,973	0	786,343
Driver training	7,205	0	16,250
Food service	2,977	0	860,647
Professional development	6,964	0	42,337
Parent education program	0	0	26,340
Special education	13,818	0	3,107,989
KPERS special retirement contribution	0	0	1,141,572
Vocational education program	491	0	190,152
Gifts & grants	99,924	0	266,863
Carl Perkins grant	0	0	20,589
Contingency reserve	0	0	100,000
Textbook & student materials	542	0	82,767
Title I	0	0	290,880
Title II A - teacher quality	0	0	39,196
21st CCLC	0	0	101,613
Cares Act	0	0	112,306
SPARKS	0	0	0
Fees and user charges	1,892	0	21,138
Gate receipts	0	0	33,674
Recreation Commission	11,714	0	58,443
Bond & Interest Fund			
Bond and interest	825,621	0	1,477,252
Business Fund			
Health Insurance	369,552	0	1,308,434
Trust Funds			
Expendable Scholarship & other trusts	277,700	0	41,439
Permanent Scholarship & other trusts	1,290,083	0	77,870
Total reporting entity (excluding agency funds)	<u>\$ 3,026,254</u>	<u>\$ 0</u>	<u>\$ 24,973,173</u>

Composition of ending cash

Demand Deposits, Money Markets & certificates of deposit

First Option Bank \$ 3,139,683

Composition of ending cash - continued

Time Deposits

Edward Jones \$ 115,095
First Option 131,063
Landmark 20,088

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 9,658,852	\$ 0	\$ 694,283	\$ 694,283
3,234,531	66,156	9,124	75,280
48,982	3,395	134	3,529
531,101	2,774	2,616	5,390
60,000	413	13,005	13,418
1,166,397	5,276	169,303	174,579
647,327	247,989	0	247,989
13,356	10,099	292	10,391
830,067	33,557	24,837	58,394
47,752	1,549	0	1,549
26,340	0	0	0
3,038,087	83,720	228	83,948
1,141,572	0	0	0
190,445	198	30,651	30,849
293,447	73,340	0	73,340
20,589	0	60	60
0	100,000	0	100,000
60,788	22,521	5,859	28,380
277,874	13,006	45,002	58,008
38,971	225	3,218	3,443
84,601	17,012	(11)	17,001
112,306	0	0	0
26,552	(26,552)	0	(26,552)
22,967	63	0	63
33,674	0	0	0
37,943	32,214	0	32,214
1,392,767	910,106	0	910,106
1,047,792	630,194	30,239	660,433
12,945	306,194	0	306,194
32,860	1,335,093	0	1,335,093
<u>\$ 24,130,886</u>	<u>\$ 3,868,542</u>	<u>\$ 1,028,840</u>	<u>\$ 4,897,382</u>

Composition of ending cash - continued

Governmental investments

Edward Jones \$ 468,803
First Option 1,164,252

Total cash

and investments \$ 5,038,984
Less Agency funds
Per Schedule 3 141,602
\$ 4,897,382

The accompanying notes are an integral part of this statement.

Unified School District Number 367
Osawatomie, Kansas

NOTES TO FINANCIAL STATEMENT
June 30, 2020

NOTE A. MUNICIPAL REPORTING ENTITY

Unified School District Number 367 is a municipal corporation governed by an elected seven-member board. As required by generally accepted accounting principles, these financial statements include all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The District potentially could have the following types of funds.

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or in part by fees charged to users of goods or services (i.e. enterprise and internal service funds, etc.).

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency fund – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

Unified School District Number 367, Osawatomie, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

**Unified School District Number 367
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT
June 30, 2020**

NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There was one budget amendment for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds, capital projects fund, business fund and trust funds:

Gifts & Grants	Carl Perkins	Contingency Reserve	Textbook & student materials
Title I	Title IIA – teacher quality	21 st CCLC	Cares Act
Sparks	Health Insurance	Trust Funds	

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

NOTE E. DEPOSITS AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds.

**Unified School District Number 367
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT
June 30, 2020**

NOTE E. DEPOSITS AND INVESTMENTS – Continued

In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The District rates investments (if any) as noted below.

Concentration of credit risk - State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2020.

At June 30, 2020, the carrying amount of the District's bank deposits was \$3,405,929 and the bank balance was \$2,967,952. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$516,359 was covered by federal depository insurance, and \$2,451,593 was collateralized with securities held by the pledging financial institution's agents in the District's name.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The rating of the District's investments is noted below. Fair values are based upon quoted market values as of June 30, 2020. As of June 30, 2020, the District had the following investments and maturities.

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>1--2</u>	<u>2+</u>	<u>Rating</u>
First Option					
Government Bonds	\$ 31,129	\$ 31,630	\$ 0	\$ 61,630	AAA
Government Bonds	1,117,740	1,132,622	0	1,132,622	NR
Edward Jones					
Government Bonds	71,721	72,111	0	72,111	NR
Government Bonds	11,313	12,263	0	12,263	NR
Government Bonds	389,480	384,429	0	384,429	NR
	<u>\$ 1,621,383</u>	<u>\$ 1,633,055</u>	<u>\$ 0</u>	<u>\$ 1,663,055</u>	

*Changes in market value are adjusted at June 30, 2020.

Interest Rate Risk – Per Kansas statutes, maturities of investments shall not exceed two years. A majority of the District's investment maturities are greater than 5 years.

Concentration of credit risk - State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2019, is as follows:

Unified School District Number 367
Osawatomie, Kansas

NOTES TO FINANCIAL STATEMENT
June 30, 2020

NOTE E. DEPOSITS AND INVESTMENTS – Continued

<u>Investments</u>	<u>Percentage of Investments</u>
First Option	71%
Edward Jones	29%

NOTE F. LONG-TERM DEBT

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>
General Obligation Bonds:				
Refunding Series 2012 A	3.00% to 3.50%	03/15/12	\$ 4,475,000	09/01/2025
Series 2013 A	2.00% to 5.00%	07/16/13	4,015,000	09/01/2028
Refunding Series 2017-A	3.00%	12/28/2017	2,865,000	09/01/2028
Capital Leases:				
Pool Project	2.45%	8/27/2015	1,500,000	8/1/2025
Thomas Bus	3.25%	9/7/2016	92,654	7/1/2019
First Option Buses	3.45%	7/18/2018	684,458	10/1/2024

Changes in long-term debt liabilities for the District for the year ended June 30, 2020, were as follows:

<u>Issue</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Expense</u>
G. O. Bonds:						
Refunding Series 2012 A	\$ 8,140,000	\$ 0	\$ 1,095,000	\$ (1,095,000)	\$ 7,045,000	\$ 158,542
Series 2013 A	1,070,000	0	0	0	1,070,000	30,750
Refunding Series 2017-A	2,795,000	0	25,000	(25,000)	2,770,000	83,475
G. O. Bonds Subtotal	12,005,000	0	1,120,000	(1,120,000)	10,885,000	272,767
Capital Leases:						
Pool Project	1,014,221	0	145,778	(145,778)	868,443	23,961
Thomas Bus	31,702	0	31,702	(31,702)	0	1,045
First Option Buses	581,217	0	88,747	(88,747)	492,470	20,330
Capital lease Subtotal	1,627,140	0	266,227	(266,227)	1,360,913	45,336
Total Long-Term Debt	\$ 13,632,140	\$ 0	\$ 1,386,227	\$ (1,386,227)	\$ 12,245,913	\$ 318,103

**Unified School District Number 367
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT
June 30, 2020**

NOTE F. LONG-TERM DEBT - continued

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	June 30,						
	2021	2022	2023	2024	2025	2026-2029	Total
Principal							
G. O. bonds	\$ 1,140,000	\$ 1,165,000	\$ 1,185,000	\$ 1,210,000	\$ 1,235,000	\$ 4,950,000	\$ 10,885,000
Capital leases	<u>241,177</u>	<u>248,117</u>	<u>255,216</u>	<u>262,522</u>	<u>270,036</u>	<u>83,843</u>	<u>1,360,911</u>
Total principal	<u>1,381,177</u>	<u>1,413,117</u>	<u>1,440,216</u>	<u>1,472,522</u>	<u>1,505,036</u>	<u>5,033,843</u>	<u>12,245,911</u>
Interest							
G. O. bonds	249,918	226,617	202,867	178,075	151,573	290,144	1,299,194
Capital leases	<u>37,641</u>	<u>30,700</u>	<u>23,603</u>	<u>16,295</u>	<u>8,782</u>	<u>1,027</u>	<u>118,048</u>
Total interest	<u>287,559</u>	<u>257,317</u>	<u>226,470</u>	<u>194,370</u>	<u>160,355</u>	<u>291,171</u>	<u>1,417,242</u>
Total principal & interest	<u>\$ 1,668,736</u>	<u>\$ 1,670,434</u>	<u>\$ 1,666,686</u>	<u>\$ 1,666,892</u>	<u>\$ 1,665,391</u>	<u>\$ 5,325,014</u>	<u>\$ 13,663,153</u>

The District is subject to statutes of the State of Kansas, which limits the net bonded debt. The debt outstanding may not exceed 14% of the assessed value of all tangible property within the District unless additional authority is granted by the Kansas State Board of Education. The amount of bonds outstanding is computed exclusive of certain bonds specifically exempted from this limitation. At June 30, 2020 the statutory limit for the District was \$6,997,886. The District currently exceeds this limit by \$3,887,114. The Kansas State Board of Education has granted a waiver from K.S.A. 79-5037 which allows the District to exceed its debt margin.

Defeasance of Debt

The District has defeased certain outstanding debt obligations by placing the proceeds of bonds in a trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account and the defeased bonds are not included in the District's financial statements. On June 30, 2020, the following outstanding bonds are considered defeased:

General Obligation Bond Series 2013 A	\$2,130,000
---------------------------------------	-------------

Operating Leases

The District has entered into operating lease agreements for the use of a Mail machine, an ice machine, and RICOH machines as allowed by state law.

Rental expense under these operating lease was as follows for the year ended June 30, 2020.

<u>Lease Description</u>	<u>Amount</u>
Mail Machine	\$ 3,927
Ice Machine	3,000
RICOH	<u>27,126</u>
Total	<u>\$ 34,053</u>

**Unified School District Number 367
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT
June 30, 2020**

NOTE F. LONG-TERM DEBT - continued

Operating Leases - continued

Future lease obligations are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 22,011
2022	3,927
2023	3,927
2024	<u>3,927</u>
Total	<u>\$ 33,792</u>

NOTE G. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$340,963 for general fund and \$152,591 for supplemental general subsequent to June 30, 2020 and as required by K.S.A. 72-6417 and 72-6434 these receipt were recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2020.

NOTE H. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	At-Risk - 4 Year Olds	K.S.A. 72-6478	\$ 60,000
General Fund	At-Risk K-12	K.S.A. 72-6478	717,239
Capital Outlay	General Fund	K.S.A. 72-6478	121
General Fund	Special Education	K.S.A. 72-6478	1,960,454
General Fund	Vocational Education	K.S.A. 72-6478	172,440
General Fund	Contingency Reserve	K.S.A. 72-6478	100,000
General Fund	Professional Development	K.S.A. 72-6478	35,000
Supplemental General	Parent Education	K.S.A. 72-6478	26,340
Supplemental General	Special Education	K.S.A. 72-6478	1,147,535
Supplemental General	At-Risk K-12	K.S.A. 72-6478	454,343

NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Health Insurance

During the year ended June 30, 2020, employees of the District were covered by the District's medical self-insurance plan ("the plan"). The plan was established October 1, 2013. There are currently two plans employees can choose from. For both plans, the District's contribution per employee is \$480 per month for a single policy, \$635 per month for employee plus spouse, \$635 per month for employee plus child, and \$740 per month for a family policy. All District employees, at their option, can authorize payroll withholdings to pay non-District provided contributions. Claims are paid by a third party administrator acting on behalf of the District. The plan is documented by contractual agreement.

The administrative contract between the District and the third party administrator is renewable annually and stop-loss premiums are included in the contractual provisions. The District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Humana, a commercial insurer licensed or eligible to do business in Kansas in accordance with Kansas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$60,000 and with aggregate stop-loss insurance at 90% of annualized expected claims.

**Unified School District Number 367
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT
June 30, 2020**

NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS - continued

Health Insurance - continued

Incurred but not reported claims: Liabilities include an amount for claims that have been incurred but not reported (IBNR's). Liabilities are reported when it is probable that claims have been incurred and the amount of liability can be reasonably estimated. Claim liabilities are calculated by the plan administrator and are expected to be liquidated with expendable available financial resources.

	Balance July 1, 2019		Claims		Payments		Balance June 30, 2020
Incurred but not reported claims	\$ 86,511	\$	1,047,792	\$	1,134,303	\$	30,239

Other Post Employment Benefits: The District makes available to qualified retired employees an employer-sponsored group health care benefit plan upon written application filed with the Clerk of the District. The District payment toward the group health insurance cost for the retiree equals the amount paid on behalf of full time teachers of the District. Participation in the Retiree Group Health Insurance Plan is voluntary. The amount paid by the District for year ended June 30, 2020 was \$28,071.

Other Post Employment Benefits: As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Flexible Benefit Plan: The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the District are eligible to participate in the Plan beginning the first day of the month following their employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Currently benefits offered through the Plan involve insurance coverage.

Compensated Absences: All full-time non-certified personnel receive five days vacation after a year of service and an additional day thereafter for each year of service with a maximum accumulation of 20 days. Upon retirement or leaving the District, the accumulated vacation pay is payable. At June 30, 2020, the District has not estimated the cost of accumulated vacation pay. The District's policy regarding sick pay permits employees to accumulate sick leave at the rate of one sick day per month up to a total accumulation of 130 days. An employee shall be paid \$50 per day for every sick day over 30 that he has accumulated at retirement. The cost of accumulated sick pay is not recorded until paid out. At June 30, 2020, the District has not estimated the cost of accumulated sick pay.

As of June 30, 2020, the estimated amount of liability for the vested portion of unused sick leave and accumulated vacation leave has not been calculated. Unpaid vacation and sick pay amounts are not accrued in the accompanying financial statements.

Death and Disability Other Post Employment Benefits: As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2020.

**Unified School District Number 367
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT
June 30, 2020**

NOTE J. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description - The Unified School District Number 367, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at <http://www.kpers.org> or by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Contributions - K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provision of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.59% and 13.21%, respectively, for the fiscal year ended June 30, 2019. The actuarially determined contribution rate and the statutory contribution rate was 16.15% and 14.41%, respectively, for the fiscal year ended June 30, 2020.

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contribution to KPERS were decreased by \$64.13 million for the fiscal year June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year. The first year payment of \$6.4 million was received in July 2017 and appropriations for fiscal year 2018 were made for the State/School group at the statutory contribution rate of 12.01% for that year.

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contribution to KPERS were decreased by \$194.0 million for the fiscal year June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computed to be \$19.4 million dollars per year.

2018 House Substitute for Senate Bill 109 provided additional funding for KPERS School group. A payment of \$56 million was paid in fiscal year 2018. This bill also authorized a payment of \$82 million in fiscal year 2019.

2019 Senate Bill 9 authorized a payment of \$115 million for the KPERS School group.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$1,141,572 for the year ended June 30, 2020.

**Unified School District Number 367
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT
June 30, 2020**

NOTE J. DEFINED BENEFIT PENSION PLAN –continued

Net Pension Liability

At June 30, 2020, the District's proportionate share of the collective net pension liability reported for KPERS was \$10,062,343. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2019. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at <http://www.kpers.org> or can be obtained as described above.

NOTE K. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE L. OTHER INFORMATION

Reimbursed Expenses: The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Ad valorem tax revenues: The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's office annually determines assessed valuation and the County Clerk spreads the annual assessment to the taxing units. One-half of the property taxes are due December 20 and distributed to the District by January 20 to finance a portion of the current year's budget. The second half is due May 20 and distributed to the District by June 5. The District Treasurer draws available funds from the County Treasurer's office at designated times throughout the year.

Contingencies: The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions which are specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the District at June 30, 2020.

Compliance with Kansas Statutes: Management is not aware of any statutory violations for the period covered by the audit.

NOTE M. RECLASSIFICATIONS

Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported cash balances.

**Unified School District Number 367
Osawatomie, Kansas**

NOTES TO FINANCIAL STATEMENT
June 30, 2020

NOTE N. SUBSEQUENT EVENTS

Subsequent Events: The District evaluated subsequent events through January 4, 2020, the date the financial statements were available to be issued. As a result of that evaluation the District has noted that the effects of Covid-19 on operations and funding appears to be significant but the final outcome has not been fully determined.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

Unified School District Number 367
Osawatomie, Kansas

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
BUDGETED FUNDS ONLY
For Year Ended June 30, 2020

	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Budget Credits</u>
General Funds			
General	\$ 9,731,253	\$ (142,839)	\$ 70,438
Supplemental general	3,282,514	(47,983)	0
Special Purpose Funds			
Adult education	52,605	0	0
Adult Supplementary	700,000	0	0
At risk - 4 year old	60,000	0	0
At risk - K-12	1,603,852	0	0
Capital outlay	856,230	0	0
Driver training	41,400	0	0
Food service	827,886	0	84,362
Professional development	52,000	0	0
Parent education program	26,340	0	0
Special education	3,145,000	0	0
KPERS special retirement contribution	1,250,447	0	0
Vocational education	200,252	0	0
Gifts and Grants	400,000	0	0
Recreation Commission	65,000	0	0
Bond and Interest Funds			
Bond and interest	<u>1,392,768</u>	<u>0</u>	<u>0</u>
	<u>\$ 23,687,547</u>	<u>\$ (190,822)</u>	<u>\$ 154,800</u>

See Independent Auditor's Report.

Schedule 1

<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
\$ 9,658,852	\$ 9,658,852	\$ 0
3,234,531	3,234,531	0
52,605	48,982	(3,623)
700,000	531,101	(168,899)
60,000	60,000	0
1,603,852	1,166,397	(437,455)
856,230	647,327	(208,903)
41,400	13,356	(28,044)
912,248	830,067	(82,181)
52,000	47,752	(4,248)
26,340	26,340	0
3,145,000	3,038,087	(106,913)
1,250,447	1,141,572	(108,875)
200,252	190,445	(9,807)
400,000	293,447	(106,553)
65,000	37,943	(27,057)
<u>1,392,768</u>	<u>1,392,767</u>	<u>(1)</u>
\$ <u><u>23,651,525</u></u>	\$ <u><u>22,358,966</u></u>	\$ <u><u>(1,292,559)</u></u>

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance Over (Under)
	2019 Actual	Actual	Budget	
Cash Receipts				
Local sources				
Mineral production tax	\$ 0	\$ 293	\$ 0	\$ 293
Reimbursed expenses	212,091	61,194	0	61,194
State sources				
Evidence based reading program	0	3,009	0	3,009
Mentor teacher	0	5,942	0	5,942
Equalization aid	7,407,531	7,747,353	7,845,976	(98,623)
Special education aid	1,881,224	1,841,061	1,885,277	(44,216)
Total cash receipts	9,500,846	9,658,852	\$ 9,731,253	\$ (72,401)
Expenditures				
Instruction				
Salaries	3,240,976	3,464,285	\$ 3,306,364	\$ 157,921
Employee benefits	623,262	696,683	640,000	56,683
Other purchased services	2,494	72	0	72
Supplies	89,240	98,956	95,000	3,956
Property	0	0	80,000	(80,000)
Student support services				
Salaries	376,155	244,253	387,000	(142,747)
Employee benefits	57,451	31,813	60,000	(28,187)
Supplies	4,905	2,785	0	2,785
Other purchased services	0	479	0	479
Instruction support staff				
Salaries	40,577	223,744	43,000	180,744
Employee benefits	24,548	45,085	26,000	19,085
Supplies	(12,697)	6,267	0	6,267
General administration				
Salaries	325,477	392,409	332,000	60,409
Employee benefits	146,009	126,809	157,000	(30,191)
Purchased professional services	233,740	154,805	240,000	(85,195)
Other purchased services	113,877	130,585	120,000	10,585
Supplies	3,550	5,385	0	5,385
School administration				
Salaries	646,899	616,658	665,000	(48,342)
Employee benefits	124,012	122,364	126,200	(3,836)
Supplies	5,819	3,023	0	3,023
Other support services				
Salaries	125,560	123,107	130,000	(6,893)
Employee benefits	20,386	20,463	21,000	(537)
Other purchased services	0	171	0	171
Supplies	2,555	1,054	0	1,054

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

	2019 Actual	2020		Variance Over (Under)
		Actual	Budget	
Expenditures (continued)				
Student activities	\$ 82,247	\$ 59,501	\$ 0	\$ 59,501
Operations and Maintenance (Trans)				
Purchased property services	68,139	43,084	72,000	(28,916)
Operating transfers				
Special education	1,891,796	1,960,454	1,885,404	75,050
At Risk (K-12)	1,000,000	717,239	1,000,000	(282,761)
At Risk (4 yr. old)	60,413	60,000	60,000	0
Capital outlay	67,713	(121)	0	(121)
Food Service	100,000	0	50,000	(50,000)
Vocational education	771	172,440	170,000	2,440
Professional Development	35,000	35,000	40,000	(5,000)
Contingency Reserve	0	100,000	25,285	74,715
Adjustment to comply with legal maximum	<u>0</u>	<u>0</u>	<u>(142,839)</u>	<u>142,839</u>
Legal general fund budget & expenditures	<u>9,500,874</u>	<u>9,658,852</u>	<u>9,588,414</u>	<u>70,438</u>
Adjustments for qualifying budget credits	<u>0</u>	<u>0</u>	<u>70,438</u>	<u>(70,438)</u>
 Total expenditures	<u>9,500,874</u>	<u>9,658,852</u>	<u>\$ 9,658,852</u>	<u>\$ 0</u>
 Receipts over (under) expenditures	(28)	0		
 Unencumbered cash (deficit), July 1	<u>28</u>	<u>0</u>		
 Unencumbered cash (deficit), June 30	<u>\$ 0</u>	<u>\$ 0</u>		

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2b

SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Ad valorem property	\$ 1,006,167	\$ 1,032,847	\$ 1,109,296	\$ (76,449)
Delinquent	30,812	29,635	13,198	16,437
Miscellaneous	351	0	0	0
County sources				
Motor vehicle	117,425	115,760	114,461	1,299
Recreational Vehicle	2,545	2,703	2,593	110
Commercial Vehicle	0	0	2,808	(2,808)
State sources				
Supplemental State Aid	2,104,683	2,113,766	2,145,123	(31,357)
 Total cash receipts	 3,261,983	 3,294,711	 \$ 3,387,479	 \$ (92,768)
 Expenditures				
Instruction				
Supplies	0	0	\$ 174,114	\$ (174,114)
Property	160,115	72,588	10,000	62,588
General administration				
Purchased professional services	2,976	0	3,709	(3,709)
Operations and maintenance				
Salaries	496,842	349,095	500,000	(150,905)
Employee benefits	92,123	95,208	100,000	(4,792)
Purchased professional services	0	0	2,000	(2,000)
Purchased property services	2,179	108,378	16,500	91,878
Supplies	518,194	533,044	50,000	483,044
Energy	0	0	465,000	(465,000)
Property (Equip)	4,051	3,882	0	3,882
Student transportation services				
Supervisor salaries	53,544	32,926	60,000	(27,074)
Employee benefits	5,771	3,456	11,000	(7,544)
Equipment	108,855	141,796	0	141,796
Vehicle operating services				
Salaries	201,803	173,778	210,000	(36,222)
Employee benefits	27,555	24,560	25,000	(440)
Motor fuel	47,239	24,607	55,000	(30,393)
Other	11,067	15,497	0	15,497
Vehicle services & maintenance services				
Purchased professional services	3,244	6,174	30,000	(23,826)
Supplies	21,006	21,324	0	21,324

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2b

SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		<u>2020</u>		
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Expenditures (continued)				
Operating transfers				
Special education	\$ 1,016,538	\$ 1,147,535	\$ 1,100,000	\$ 47,535
Parent education program	0	0	26,340	(26,340)
Vocational education	182,905	26,340	0	26,340
At risk k-12	300,000	454,343	443,851	10,492
Adjustment to comply with				
legal maximum	<u>0</u>	<u>0</u>	<u>(47,983)</u>	<u>47,983</u>
 Legal general fund budget & expenditures	 <u>3,256,007</u>	 <u>3,234,531</u>	 <u>\$ 3,234,531</u>	 <u>\$ 0</u>
 Receipts over (under) expenditures	 5,976	 60,180		
 Unencumbered cash, July 1	 <u>0</u>	 <u>5,976</u>		
 Unencumbered cash, June 30	 <u>\$ 5,976</u>	 <u>\$ 66,156</u>		

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2c

SPECIAL PURPOSE FUNDS
ADULT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
State sources				
Adult basic aid	\$ 50,850	\$ 51,546	\$ 52,000	\$ (454)
Total cash receipts	<u>50,850</u>	<u>51,546</u>	<u>52,000</u>	<u>(454)</u>
Expenditures				
Instruction				
Salaries	39,561	40,059	\$ 41,278	\$ (1,219)
Employee benefits	8,709	8,738	8,915	(177)
Other purchased services	2,543	185	1,500	(1,315)
Supplies	(95)	0	100	(100)
Student Support Services				
Salaries	<u>0</u>	<u>0</u>	<u>812</u>	<u>(812)</u>
Total expenditures	<u>50,718</u>	<u>48,982</u>	<u>52,605</u>	<u>(3,623)</u>
Receipts over (under) expenditures	132	2,564		
Unencumbered cash, July 1	<u>699</u>	<u>831</u>		
Unencumbered cash, June 30	<u>\$ 831</u>	<u>\$ 3,395</u>		

See Independent Auditor's Report.

Unified School District Number 367
Osawatomie, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
ADULT SUPPLEMENTARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Tuition and program fees	\$ 430,264	\$ 448,719	\$ 500,000	\$ (51,281)
Interest on idle funds	297	0	0	0
Miscellaneous	159,212	83,669	200,000	(116,331)
Total cash receipts	589,773	532,388	\$ 700,000	\$ (167,612)
Expenditures				
Instruction				
Salaries	228,263	161,761	\$ 300,000	\$ (138,239)
Employee benefits	24,312	32,461	15,000	17,461
Purchased professional and technical	15,932	9,203	25,000	(15,797)
Other purchased services	20,373	14,384	35,000	(20,616)
Supplies	11,428	10,879	25,000	(14,121)
Equipment	64	467	15,000	(14,533)
Other	120	476	5,000	(4,524)
Student support services				
Salaries	81,552	161,552	82,000	79,552
Employee benefits	14,808	18,807	16,000	2,807
Other purchased services	1,307	1,168	2,000	(832)
Supplies	9,936	5,107	10,000	(4,893)
Property	4,858	2,100	0	2,100
Instructional Support Staff				
Salaries	160,841	66,739	170,000	(103,261)
Benefits	12,283	8,932	0	8,932
School Administration				
Property	5,605	3,781	0	3,781
Operations and Maintenance				
Purchased property services	0	23,631	0	23,631
Supplies	0	9,653	0	9,653
Total expenditures	591,682	531,101	\$ 700,000	\$ (168,899)
Receipts over (under) expenditures	(1,909)	1,287		
Unencumbered cash, July 1	3,396	1,487		
Unencumbered cash, June 30	\$ 1,487	\$ 2,774		

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2e

SPECIAL PURPOSE FUNDS
AT RISK - 4 YEAR OLD FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local Sources				
Miscellaneous	\$ 27	\$ 0	\$ 0	\$ 0
Operating transfers				
General	60,413	60,000	60,000	0
Total cash receipts	60,440	60,000	60,000	0
Expenditures				
Instruction				
Salaries	49,133	48,947	\$ 50,000	\$ (1,053)
Employee benefits	10,894	11,053	10,000	1,053
Total expenditures	60,027	60,000	60,000	0
Receipts over (under) expenditures	413	0		
Unencumbered cash, July 1	0	413		
Unencumbered cash, June 30	\$ 413	\$ 413		

See Independent Auditor's Report.

**Unified School District Number 367
Osawatimie, Kansas**

Schedule 2f

SPECIAL PURPOSE FUNDS
AT RISK - K-12 FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local Sources				
Miscellaneous	\$ 91	\$ 0	\$ 0	\$ 0
Operating transfers				
General	1,000,000	717,239	1,000,000	(282,761)
Supplemental general	300,000	454,343	443,851	10,492
Total cash receipts	<u>1,300,091</u>	<u>1,171,582</u>	<u>\$ 1,443,851</u>	<u>\$ (272,269)</u>
Expenditures				
Instruction				
Salaries	1,093,595	831,834	\$ 1,330,001	\$ (498,167)
Employee Benefits	154,247	145,352	165,000	(19,648)
Purchased professional services	16,749	36,157	33,986	2,171
Supplies	35,409	26,842	70,000	(43,158)
Other	0	0	4,865	(4,865)
Student Support Services				
Salaries	0	105,493	0	105,493
Employee Benefits	0	18,452	0	18,452
School Administration				
Salaries	0	1,889	0	1,889
Employee Benefits	0	378	0	378
Total expenditures	<u>1,300,000</u>	<u>1,166,397</u>	<u>\$ 1,603,852</u>	<u>\$ (437,455)</u>
Receipts over (under) expenditures	91	5,185		
Unencumbered cash, July 1	<u>0</u>	<u>91</u>		
Unencumbered cash, June 30	\$ <u>91</u>	\$ <u>5,276</u>		

See Independent Auditor's Report.

Unified School District Number 367
Osawatomie, Kansas

Schedule 2g

SPECIAL PURPOSE FUNDS
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Ad Valorem property	\$ 383,251	\$ 407,448	\$ 396,388	\$ 11,060
Delinquent	12,377	11,706	5,010	6,696
Motor vehicle	47,586	45,985	46,930	(945)
Recreational Vehicle	1,053	1,102	1,064	38
Commercial Vehicle	1,103	1,408	1,151	257
Idle Funds Interest	34,756	48,215	50,000	(1,785)
Other Revenue	851,699	5,425	0	5,425
State sources				
State aid	234,739	265,175	265,506	(331)
Operating transfers				
General	67,713	(121)	0	(121)
Total cash receipts	<u>1,634,277</u>	<u>786,343</u>	<u>\$ 766,049</u>	<u>\$ 20,294</u>
Expenditures				
Instruction				
Property	80,069	78,006	\$ 135,000	\$ (56,994)
Student support services				
Property	684,276	0	100,000	(100,000)
Instructional support staff				
Property	0	2,018	0	2,018
General administration				
Property	0	24,385	0	24,385
Central Services				
Other Expense	54	21	0	21
Operations and maintenance				
Salaries	0	111,969	0	111,969
Purchased Professional Svcs	0	75,528	0	75,528
Purchased Property Services	704,955	291,388	551,230	(259,842)
Property	297,730	62,882	70,000	(7,118)
Other support services				
Equipment	7,625	1,130	0	1,130
Total expenditures	<u>1,774,709</u>	<u>647,327</u>	<u>\$ 856,230</u>	<u>\$ (208,903)</u>
Receipts over (under) expenditures	(140,432)	139,016		
Unencumbered cash, July 1	<u>249,405</u>	<u>108,973</u>		
Unencumbered cash, June 30	<u>\$ 108,973</u>	<u>\$ 247,989</u>		

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2h

SPECIAL PURPOSE FUNDS
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Other Revenue	\$ 9,595	\$ 7,800	\$ 20,000	\$ (12,200)
State sources				
State safety aid	11,319	8,450	13,000	(4,550)
Total cash receipts	<u>20,914</u>	<u>16,250</u>	<u>\$ 33,000</u>	<u>\$ (16,750)</u>
Expenditures				
Instruction				
Salaries	13,532	8,280	\$ 25,000	\$ (16,720)
Employee benefits	1,867	961	5,000	(4,039)
Supplies	450	4,054	9,400	(5,346)
Equipment	77	0	0	0
Vehicle operations and maintenance				
Motor fuel	860	61	2,000	(1,939)
Total expenditures	<u>16,786</u>	<u>13,356</u>	<u>\$ 41,400</u>	<u>\$ (28,044)</u>
Receipts over (under) expenditures	4,128	2,894		
Unencumbered cash, July 1	<u>3,077</u>	<u>7,205</u>		
Unencumbered cash, June 30	<u>\$ 7,205</u>	<u>\$ 10,099</u>		

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2i

SPECIAL PURPOSE FUNDS
FOOD SERVICES
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Student receipts lunch & breakfast	\$ 125,177	\$ 101,659	\$ 134,447	\$ (32,788)
Adult and student sales	29,981	14,060	37,472	(23,412)
Miscellaneous	11,910	146,098	80,000	66,098
Interest on idle funds	0	0	10,000	(10,000)
State sources				
Equalization aid	6,512	6,341	5,279	1,062
Federal sources				
Child nutrition programs	535,439	592,489	508,127	84,362
Operating transfers				
General	100,000	0	50,000	(50,000)
Total cash receipts	<u>809,019</u>	<u>860,647</u>	<u>\$ 825,325</u>	<u>\$ 35,322</u>
Expenditures				
Operations & Maintenance				
Purchased property services	2,061	11,823	\$ 2,886	\$ 8,937
Supplies	0	270	0	270
Food service operation				
Salaries	353,603	356,271	370,000	(13,729)
Employee benefits	77,466	70,520	80,000	(9,480)
Supplies	374,132	386,885	370,000	16,885
Property	4,859	4,298	5,000	(702)
Total expenditures before credits	<u>812,121</u>	<u>830,067</u>	<u>827,886</u>	<u>2,181</u>
Adjustments for qualifying budget credits	<u>0</u>	<u>0</u>	<u>84,362</u>	<u>(84,362)</u>
Total expenditures	<u>812,121</u>	<u>830,067</u>	<u>\$ 912,248</u>	<u>\$ (82,181)</u>
Receipts over (under) expenditures	(3,102)	30,580		
Unencumbered cash, July 1	<u>6,079</u>	<u>2,977</u>		
Unencumbered cash, June 30	<u>\$ 2,977</u>	<u>\$ 33,557</u>		

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2j

SPECIAL PURPOSE FUNDS
PROFESSIONAL DEVELOPMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local Sources				
Other Reimbursements	\$ 6,864	\$ 7,337	\$ 5,940	\$ 1,397
Operating transfers				
General	35,000	35,000	40,000	(5,000)
Total cash receipts	<u>41,864</u>	<u>42,337</u>	<u>\$ 45,940</u>	<u>\$ (3,603)</u>
Expenditures				
Instruction support staff				
Salaries	2,800	20,267	\$ 0	\$ 20,267
Purchased professional services	1,301	5,683	10,000	(4,317)
Other purchased services	39,777	20,788	40,000	(19,212)
Supplies	122	1,014	2,000	(986)
Total expenditures	<u>44,000</u>	<u>47,752</u>	<u>\$ 52,000</u>	<u>\$ (4,248)</u>
Receipts over (under) expenditures	(2,136)	(5,415)		
Unencumbered cash, July 1	<u>9,100</u>	<u>6,964</u>		
Unencumbered cash, June 30	<u>\$ 6,964</u>	<u>\$ 1,549</u>		

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2k

SPECIAL PURPOSE FUNDS
PARENT EDUCATION PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Operating transfers				
Supplemental general	\$ 19,755	\$ 26,340	\$ 26,340	\$ 0
Expenditures				
Student support services				
Other purchased services	19,755	26,340	\$ 26,340	\$ 0
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	0	0		
Unencumbered cash, June 30	\$ 0	\$ 0		

See Independent Auditor's Report.

**Unified School District Number 367
Osawatimie, Kansas**

Schedule 21

SPECIAL PURPOSE FUNDS
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local Sources				
Other	\$ 44,744	\$ 0	\$ 100,000	\$ (100,000)
Federal Sources				
Medicaid	0	0	100,000	(100,000)
Operating transfers				
General	1,891,796	1,960,454	1,885,404	75,050
Supplemental general	1,016,538	1,147,535	1,100,000	47,535
Total cash receipts	<u>2,953,078</u>	<u>3,107,989</u>	<u>\$ 3,185,404</u>	<u>\$ (77,415)</u>
Expenditures				
Instruction				
Salaries	75,699	42,400	\$ 150,000	\$ (107,600)
Employee benefits	10,993	3,214	10,000	(6,786)
Purchased professional svcs	0	52,098	0	52,098
Payments to Special Education COOP	2,732,058	2,714,871	2,890,000	(175,129)
Supplies	31,191	7,544	20,000	(12,456)
Vehicle operating services				
Salaries	128,279	181,734	0	181,734
Employee benefits	10,281	20,719	0	20,719
Motor fuel	26,085	15,306	0	15,306
Equipment	72,760	201	0	201
Supervision				
Salaries	0	0	75,000	(75,000)
Total expenditures	<u>3,087,346</u>	<u>3,038,087</u>	<u>\$ 3,145,000</u>	<u>\$ (106,913)</u>
Receipts over (under) expenditures	(134,268)	69,902		
Unencumbered cash, July 1	<u>148,086</u>	<u>13,818</u>		
Unencumbered cash, June 30	<u>\$ 13,818</u>	<u>\$ 83,720</u>		

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2m

SPECIAL PURPOSE FUNDS
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
State sources				
KPERS	\$ 745,566	\$ 1,141,572	\$ 1,250,447	\$ (108,875)
Total cash receipts	745,566	1,141,572	1,250,447	(108,875)
Expenditures				
Instruction				
Employee benefits	433,174	662,112	\$ 700,000	\$ (37,888)
Student support				
Employee benefits	52,935	79,910	85,000	(5,090)
Instructional support				
Employee benefits	27,586	45,663	45,000	663
General administration				
Employee benefits	34,296	57,079	55,000	2,079
School administration				
Employee benefits	52,935	79,910	85,000	(5,090)
Other supplemental services				
Employee benefits	24,604	34,247	40,000	(5,753)
Operations and maintenance				
Employee benefits	46,225	68,494	75,000	(6,506)
Student transportation services				
Employee benefits	37,278	45,663	61,000	(15,337)
Other Support Services				
Employee benefits	0	0	104,447	(104,447)
Food services				
Employee benefits	36,533	68,494	0	68,494
Total expenditures	745,566	1,141,572	\$ 1,250,447	\$ (108,875)
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	0	0		
Unencumbered cash, June 30	\$ 0	\$ 0		

See Independent Auditor's Report

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2n

SPECIAL PURPOSE FUNDS
VOCATIONAL EDUCATION PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
State sources				
State Aid	\$ 6,178	\$ 16,212	\$ 15,761	\$ 451
Miscellaneous	4,531	1,500	10,000	(8,500)
Operating transfers				
General	163,921	172,440	170,000	2,440
Total cash receipts	<u>174,630</u>	<u>190,152</u>	<u>\$ 195,761</u>	<u>\$ (5,609)</u>
Expenditures				
Instruction support staff				
Salaries	114,029	113,293	\$ 147,491	\$ (34,198)
Employee benefits	35,205	36,144	21,000	15,144
Purchased professional services	8,568	3,795	9,761	(5,966)
Other purchased services	0	1,050	0	1,050
Supplies	276	1,673	0	1,673
Other	0	11,162	0	11,162
Student transportation services				
Salaries	15,376	21,670	22,000	(330)
Employee benefits	1,176	1,658	0	1,658
Total expenditures	<u>174,630</u>	<u>190,445</u>	<u>\$ 200,252</u>	<u>\$ (9,807)</u>
Receipts over (under) expenditures	0	(293)		
Unencumbered cash, July 1	<u>491</u>	<u>491</u>		
Unencumbered cash, June 30	<u>\$ 491</u>	<u>\$ 198</u>		

See Independent Auditor's Report.

Unified School District Number 367
Osawatomie, Kansas

Schedule 2o

SPECIAL PURPOSE FUNDS
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		<u>2020</u>		Variance
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	Over
	<u>Actual</u>			(Under)
Cash Receipts				
Local sources				
Donations	\$ 283,822	\$ 198,619	\$ 300,000	\$ (101,381)
Federal sources				
Grant	27,276	58,681	50,000	8,681
State sources				
State aid	<u>0</u>	<u>9,563</u>	<u>9,563</u>	<u>0</u>
Total cash receipts	<u>311,098</u>	<u>266,863</u>	<u>\$ 359,563</u>	<u>\$ (92,700)</u>
Expenditures				
Instruction				
Salaries	26,950	51,642	\$ 100,000	\$ (48,358)
Employee benefits	0	1,039	0	1,039
Supplies	175	0	0	0
General administration				
Supplies	262,647	231,203	300,000	(68,797)
Student Activities				
Miscellaneous	<u>150</u>	<u>9,563</u>	<u>0</u>	<u>9,563</u>
Total expenditures	<u>289,922</u>	<u>293,447</u>	<u>\$ 400,000</u>	<u>\$ (106,553)</u>
Receipts over (under) expenditures	21,176	(26,584)		
Unencumbered cash, July 1	<u>78,748</u>	<u>99,924</u>		
Unencumbered cash, June 30	<u>\$ 99,924</u>	<u>\$ 73,340</u>		

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2p

SPECIAL PURPOSE FUNDS
CARL PERKINS GRANT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

	<u>2019</u>	<u>2020</u>
Cash Receipts		
Local sources		
Reimbursements	\$ 10,786	\$ 20,589
Total Receipts	<u>10,786</u>	<u>20,589</u>
Expenditures		
Instruction		
Salaries	1,000	2,000
Employee benefits	77	154
Professional development	3,327	4,113
Supplies	<u>6,382</u>	<u>14,322</u>
Total expenditures	<u>10,786</u>	<u>20,589</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2g

SPECIAL PURPOSE FUNDS
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

	<u>2019</u>	<u>2020</u>
Cash Receipts		
Operating transfers		
General	\$ 0	\$ 100,000
Expenditures		
Operating transfers	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	0	100,000
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 100,000</u></u>

See Independent Auditor's Report.

**Unified School District Number 367
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Schedule 2r

SPECIAL PURPOSE FUNDS
TEXTBOOK & STUDENT MATERIALS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

	<u>2019</u>	<u>2020</u>
Cash Receipts		
Local sources		
Fees	\$ <u>69,325</u>	\$ <u>82,767</u>
Total Receipts	<u>69,325</u>	<u>82,767</u>
Expenditures		
Instruction		
Supplies	68,982	60,808
Support Services		
Supplies	<u>0</u>	<u>(20)</u>
Total expenditures	<u>68,982</u>	<u>60,788</u>
Receipts over (under) expenditures	343	21,979
Unencumbered cash, July 1	<u>199</u>	<u>542</u>
Unencumbered cash, June 30	\$ <u><u>542</u></u>	\$ <u><u>22,521</u></u>

See Independent Auditor's Report.

**Unified School District Number 367
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Schedule 2s

SPECIAL PURPOSE FUNDS
TITLE I
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

	<u>2019</u>	<u>2020</u>
Cash Receipts		
Local Sources		
Miscellaneous	\$ 80	\$ 0
Federal sources		
Grants	<u>315,741</u>	<u>290,880</u>
Total Receipts	<u>315,821</u>	<u>290,880</u>
Expenditures		
Instruction		
Salaries	270,277	227,537
Employee benefits	33,217	24,760
Purchased professional services	0	6,143
Supplies	8,577	18,265
Other Purchased Services	<u>3,750</u>	<u>1,169</u>
Total expenditures	<u>315,821</u>	<u>277,874</u>
Receipts over (under) expenditures	0	13,006
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 13,006</u>

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**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2t

SPECIAL PURPOSE FUNDS
TITLE II A - TEACHER QUALITY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

	<u>2019</u>	<u>2020</u>
Cash Receipts		
Local Sources		
Miscellaneous	\$ 16	\$ 0
Federal sources		
Grants	<u>45,814</u>	<u>39,196</u>
Total Receipts	<u>45,830</u>	<u>39,196</u>
Expenditures		
Instruction		
Salaries	45,830	39,196
Employee benefits	<u>0</u>	<u>(225)</u>
Total expenditures	<u>45,830</u>	<u>38,971</u>
Receipts over (under) expenditures	0	225
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 225</u>

See Independent Auditor's Report

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2u

SPECIAL PURPOSE FUNDS
21ST CCLC
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

	<u>2019</u>	<u>2020</u>
Cash Receipts		
Federal sources		
Grants	\$ 0	\$ 101,613
Total Receipts	<u>0</u>	<u>101,613</u>
Expenditures		
Instruction		
Salaries	0	64,971
Employee benefits	0	4,980
Purchased professional svcs	0	6,749
Other purchased services	0	875
Supplies	<u>0</u>	<u>7,026</u>
Total expenditures	<u>0</u>	<u>84,601</u>
Receipts over (under) expenditures	0	17,012
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	\$ <u><u>0</u></u>	\$ <u><u>17,012</u></u>

See Independent Auditor's Report

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2v

SPECIAL PURPOSE FUNDS
CARES ACT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

	<u>2019</u>	<u>2020</u>
Cash Receipts		
Federal sources		
Grants	\$ 0	\$ 112,306
Total Receipts	<u>0</u>	<u>112,306</u>
Expenditures		
Instruction		
Supplies	0	101,493
Other	0	10,232
Operations and Maintenance		
Supplies	0	282
Vehicle Operating Services		
Supplies	<u>0</u>	<u>299</u>
Total expenditures	<u>0</u>	<u>112,306</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

See Independent Auditor's Report

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2w

SPECIAL PURPOSE FUNDS
SPARKS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

	<u>2019</u>	<u>2020</u>
Cash Receipts		
Federal sources		
Grants	\$ 0	\$ 0
Total Receipts	<u>0</u>	<u>0</u>
Expenditures		
Instruction		
Supplies	0	8,391
Other	0	474
Operations and Maintenance		
Supplies	0	3,035
Vehicle Operating Services		
Supplies	0	429
Food Service Operations		
Salaries	0	9,400
Supplies	0	419
Other	<u>0</u>	<u>4,404</u>
Total expenditures	<u>0</u>	<u>26,552</u>
Receipts over (under) expenditures	0	(26,552)
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ (26,552)</u>

See Independent Auditor's Report

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2x

SPECIAL PURPOSE FUNDS
RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Ad valorem property	\$ 47,819	\$ 50,929	\$ 49,542	\$ 1,387
Delinquent	1,494	1,456	626	830
Other	128	146	0	146
County sources				
Recreational Vehicle	132	138	133	5
Commercial Vehicle	138	176	143	33
Motor Vehicle Taxes	<u>5,817</u>	<u>5,598</u>	<u>5,866</u>	<u>(268)</u>
Total cash receipts	<u>55,528</u>	<u>58,443</u>	<u>\$ 56,310</u>	<u>\$ 2,133</u>
Expenditures				
Community service operation				
Community services operations	<u>53,692</u>	<u>37,943</u>	<u>\$ 65,000</u>	<u>\$ (27,057)</u>
Total expenditures	<u>53,692</u>	<u>37,943</u>	<u>\$ 65,000</u>	<u>\$ (27,057)</u>
Receipts over (under) expenditures	1,836	20,500		
Unencumbered cash, July 1	<u>9,878</u>	<u>11,714</u>		
Unencumbered cash, June 30	<u>\$ 11,714</u>	<u>\$ 32,214</u>		

See Independent Auditor's Report

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2y

BOND AND INTEREST FUNDS
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

		2020		Variance
	2019	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Ad valorem property	\$ 498,432	\$ 552,686	\$ 537,210	\$ 15,476
Delinquent	18,622	16,414	6,469	9,945
Other	1,464	1,871	0	1,871
County sources				
Motor vehicle	71,321	67,002	70,245	(3,243)
Recreational Vehicle	1,609	1,635	1,592	43
Commercial Vehicle	1,752	1,895	1,723	172
State sources				
Equalization aid	850,126	835,749	863,510	(27,761)
Total cash receipts	<u>1,443,326</u>	<u>1,477,252</u>	<u>\$ 1,480,749</u>	<u>\$ (3,497)</u>
Expenditures				
Debt service				
Bond principal	1,145,000	1,120,000	\$ 1,120,000	\$ 0
Interest	<u>295,893</u>	<u>272,767</u>	<u>272,768</u>	<u>(1)</u>
Total expenditures	<u>1,440,893</u>	<u>1,392,767</u>	<u>\$ 1,392,768</u>	<u>\$ (1)</u>
Receipts over (under) expenditures	2,433	84,485		
Unencumbered cash, July 1	<u>823,188</u>	<u>825,621</u>		
Unencumbered cash, June 30	<u>\$ 825,621</u>	<u>\$ 910,106</u>		

See Independent Auditor's Report

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 2z

BUSINESS FUNDS
HEALTH INSURANCE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For Year Ended June 30, 2020
(With Comparative Actual totals for the Prior Year Ended June 30, 2019)

	<u>2019</u>	<u>2020</u>
Cash Receipts		
Other		
Premiums	\$ 957,497	\$ 1,308,434
Expenditures		
Claims and administrative services	<u>1,001,386</u>	<u>1,047,792</u>
Receipts over (under) expenditures	(43,889)	260,642
Unencumbered cash, July 1	<u>413,441</u>	<u>369,552</u>
Unencumbered cash, June 30	<u>\$ 369,552</u>	<u>\$ 630,194</u>

See Independent Auditor's Report

Unified School District Number 367
Osawatimie, Kansas

Schedule 2aa

TRUST FUNDS
SCHOLARSHIP FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2020

Expendable Scholarship Trust Funds	Balance Beginning of year	Gifts, Interest & Principal	Scholarship Disbursements	Balance End of year
Carter Development Fund	\$ 16,344	\$ 279	\$ 0	\$ 16,623
K. R. Johnson Scholarship	1,592	2,008	1,000	2,600
Rae Lynn Jones Scholarship	928	(3)	700	225
Twin Rivers Jazz Band Scholarship	12,953	216	200	12,969
USD 367 Food Service Scholarship	8,165	619	1,000	7,784
Mac Steele Scholarship	5,769	341	350	5,760
Slayman/Elks School	16	0	0	16
Nadine Weber Memorial Scholarship	9,975	21,150	1,000	30,125
Silas/Hattie Whiteford Trust Scholarship	88,886	8,303	3,995	93,194
Whiteford Education Foundation	3,025	32	1,000	2,057
Hawkins Scholarship	101,475	1,711	1,000	102,186
Cindy Schwarz Scholarship	(645)	1,252	0	607
Osawatimie VFW Scholarship	11,407	425	1,000	10,832
Class of 1974	6,561	1,217	500	7,278
Class of 1967	0	3,600	0	3,600
Anon Demolay	653	6	200	459
Julie Taylor Scholarship	7,399	114	500	7,013
Derrick Jensen	3,197	169	500	2,866

**Total Expendable Scholarship
Trust Funds**

\$ 277,700	\$ 41,439	\$ 12,945	\$ 306,194
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Permanent Scholarship Trust Funds	Balance Beginning of year	Gifts, Interest & Principal	Scholarship Disbursements	Balance End of year
Architecture Engineer Scholarship	\$ 62,517	\$ 1,066	\$ 0	\$ 63,583
Appenfeller Memorial Scholarship	10,773	923	500	11,196
Harold D Barnhart Memorial Scholarship	65,571	1,929	2,500	65,000
H. Dean Brown Memorial Scholarship	890	5	500	395
Sarah Ingle	3,768	215	0	3,983
William & Nadine Eddy Scholarship	14,016	233	250	13,999
George & Ann Graham Scholarship	79,555	1,523	0	81,078
Lois Hanna Kinkead Memorial Scholarship	26,428	691	500	26,619
Roy & Mary McDaniel Scholarship	14,281	299	150	14,430
John Vasquez Memorial Scholarship	25,321	682	0	26,003
VFW Auxiliary Scholarship	3,896	61	200	3,757
Robert J. Wagers Memorial Scholarship	47,180	804	0	47,984
Bruce Waggoner Memorial Scholarship	20,451	137	500	20,088
Bertha & Irvin Walter Memorial Scholarship	14,106	118	0	14,224
Marie Cherry Memorial Scholarship	0	7,111	0	7,111
Frank & Jackie Platt Memorial Scholarship	0	15,000	0	15,000
Andrew Workman Scholarship	14,125	235	300	14,060
ONEA Teacher Scholarship	4,609	2,364	1,110	5,863
Melvin Stockwell Scholarship	19,737	576	500	19,813
Cavinee Scholarship	26,104	432	500	26,036

See Independent Auditor's Report.

**Unified School District Number 367
Osawatimie, Kansas**

Schedule 2aa

TRUST FUNDS
SCHOLARSHIP FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2020

Permanent Scholarship Trust Funds	Balance Beginning of year	Gifts, Interest & Principal	Scholarship Disbursements	Balance End of year
John/Arlene Shaw	\$ 72,833	\$ 1,721	1,000	\$ 73,554
Rotary Archie Parks Scholarship	37,831	16,122	2,050	51,903
Marilyn Winegar Scholarship	13,803	2,195	500	15,498
ONEA Teachers Scholarship	13,534	1,452	0	14,986
Royce Bray Scholarship	612,320	10,054	19,000	603,374
Lurene Swenson Memorial Scholarship	4,823	82	0	4,905
Dick Booe Scholarship	2,185	31	300	1,916
Adams Family Scholarship	3,157	1,724	300	4,581
Partners in Education	13,948	1,719	900	14,767
Frank & Rosie Bowker	2,343	6,020	0	8,363
Robert Kitchen Memorial	2,486	42	0	2,528
Joe Fenoughty	228	148	300	76
Lambert-Goodwin	54,894	936	0	55,830
Dustin Eaks	2,370	1,220	1,000	2,590
Total Permanent Scholarship Trust Funds	\$ 1,290,083	\$ 77,870	\$ 32,860	\$ 1,335,093
Total Trust Funds	\$ 1,567,783	\$ 119,309	\$ 45,805	\$ 1,641,287

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 3

AGENCY FUNDS
SCHOOL ACTIVITY FUNDS
CASH RECEIPTS, CASH DISBURSEMENTS AND CASH BALANCES
For the Year Ended June 30, 2020

<u>Fund</u>	<u>Balance Beginning of Year</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance End of year</u>
Student Organization Accounts				
O.H.S. Concessions	\$ 408	\$ 22,723	\$ 22,585	\$ 546
Catering Club	1,002	0	0	1,002
Elementary Yearbook Club	184	4,113	691	3,606
Yearbook Club O.H.S.	3,988	10,582	11,389	3,181
Yearbook Club O.M.S.	1,143	1,896	1,850	1,189
Journalism Club	2,849	0	9	2,840
Washington DC Club	5,847	92,274	83,539	14,582
Fellowship Christian Athletes	157	0	0	157
Art Club	45	218	80	183
O.M.S. Concessions	5,251	11,025	10,952	5,324
Lady Trojan Basketball	21	0	0	21
BB Club O.H.S.	812	0	40	772
Band Club O.H.S.	27	7,771	7,498	300
O.M.S. Band	807	5,357	5,308	856
O.M.S. Cheerleaders	390	0	0	390
Choir O.M.S.	0	122	122	0
Choir O.H.S.	2,038	7,122	6,138	3,022
Class of 2018	286	0	286	0
Class of 2019	123	92	215	0
Class of 2020	1,012	1,036	2,450	(402)
Class of 2021	1,125	351	35	1,441
Class of 2022	1,093	377	37	1,433
Class of 2023	(101)	329	16	212
Trojan Faculty Club	812	659	235	1,236
Faculty Club O.H.S.	2	1,684	400	1,286
FCCLA	612	2,699	2,258	1,053
O.M.S. Ambassadors	1,687	340	516	1,511
O.M.S. Reading Club	231	0	0	231
O.H.S. National Honor Soc	0	610	0	610
O.H.S. FBLA	0	185	16	169
O.H.S. Kays	3,292	1,265	1,749	2,808
O.H.S. STUCO	2,906	6,377	7,292	1,991
O.H.S. Science Club	26,373	55,914	68,883	13,404
O.H.S. STAC	86	1,750	906	930
O.M.S. Faculty Club	20	2,663	2,335	348
O.M.S. STAC	1,308	26,501	25,682	2,127
2nd Grade Economics	487	32	391	128
Spanish Club	1,078	1,498	150	2,426
Swenson School STAC	7,058	2,224	1,469	7,813
Swenson School Faculty Club	183	0	0	183
O.H.S. Flag Corps	324	0	0	324

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 3

AGENCY FUNDS
SCHOOL ACTIVITY FUNDS
CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES
For the Year Ended June 30, 2020

<u>Fund</u>	<u>Balance Beginning of Year</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance End of year</u>
Student Organization Accounts - continued				
O.M.S. Drama Club	\$ 54	\$ 0	\$ 0	\$ 54
SADD Club	1,822	800	656	1,966
O.M.S. SADD	552	0	1	551
After Prom	6,309	26,309	5,720	26,898
OHS Spirit Squad	3,745	9,314	8,010	5,049
Trojan STAC	2,583	7,440	5,509	4,514
Adult Ed Vending	716	0	0	716
Technology Club	80	0	80	0
FFA Club	79	10,978	9,692	1,365
Baseball Club	5	1	0	6
Wrestling Club	45	0	0	45
Watch D.O.G.S.	71	0	0	71
Football Club	1,579	22	811	790
Softball Club	154	0	77	77
Cross Country Club	4	462	362	104
Other	0	242	0	242
HS Volleyball Club	1,518	2,172	3,062	628
Oz Envy Club	16,377	8,533	5,712	19,198
Swim Club	95	0	0	95
Total	\$ <u>110,754</u>	\$ <u>336,062</u>	\$ <u>305,214</u>	\$ <u>141,602</u>

See Independent Auditor's Report.

**Unified School District Number 367
Osawatomie, Kansas**

Schedule 4

DISTRICT ACTIVITY FUNDS

**CASH RECEIPTS, CASH DISBURSEMENTS AND CASH BALANCES
For the Year Ended June 30, 2020**

<u>Fund</u>	<u>Balance Beginning of Year</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance End of Year</u>
Fees and User Charges				
Sales Tax	\$ 26	\$ 16,975	\$ 16,990	\$ 11
Board of Education	0	41	41	0
C/A Book Rental	41	219	260	0
C/A Ind Arts Club O.H.S.	1,039	1,680	2,719	0
C/A Now Account	786	2,223	2,957	52
	<u>1,892</u>	<u>21,138</u>	<u>22,967</u>	<u>63</u>
Gate Receipts				
Athletics	0	33,674	33,674	0
	<u>0</u>	<u>33,674</u>	<u>33,674</u>	<u>0</u>
 Total all Schools	 \$ <u>1,892</u>	 \$ <u>54,812</u>	 \$ <u>56,641</u>	 \$ <u>63</u>

See Independent Auditor's Report.

Unified School District Number 367
Osawatomie, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2020

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Grantor's Number	Program Revenue Amount	Program Expenditure Amount
<u>U.S. Department of Agriculture</u>				
<u>Pass Through Kansas Department of Education</u>				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A	\$ 123,203	\$ 123,203
National School Lunch Program (NSLP)	10.555	N/A	283,780	283,780
Summer Food Service Program for Child.	10.559	N/A	284,270	284,270
			<u>691,253</u>	<u>691,253</u>
Total Child Nutrition Cluster				
			<u>691,253</u>	<u>691,253</u>
TOTAL DEPARTMENT OF AGRICULTURE				
			<u>691,253</u>	<u>691,253</u>
<u>U.S. Department of Education</u>				
<u>Pass Through Kansas Department of Education</u>				
Title I Grants	84.010A	DO367	269,856	256,850
Improving Teacher Quality State Grants	84.367	DO367	39,196	38,971
Student Support & Academic				
Enrichment Program	84.424A	N/A	21,024	21,024
2020 Covid -19	84.425D	N/A	112,306	112,306
Title IV 21st CCLC	84.287C	N/A	101,613	84,601
Carl D Perkins	84.048	N/A	20,589	20,589
			<u>564,584</u>	<u>534,341</u>
TOTAL DEPARTMENT OF EDUCATION				
			<u>564,584</u>	<u>534,341</u>
			<u>1,255,837</u>	<u>1,225,594</u>
<u>U.S. Department of Health and Human Services</u>				
<u>Pass Through Kansas Department of Education</u>				
Youth Risk Behavior Survey	93.938	N/A	200	200
Temporary Assistance for Needy				
Families (TANF)	93.558	N/A	27,703	27,703
			<u>27,903</u>	<u>27,903</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				
			<u>27,903</u>	<u>27,903</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,283,740</u>	<u>\$ 1,253,497</u>

There were no amounts that were passed through to subrecipients.

See Independent Auditor's Report.
See accompanying notes.

Unified School District Number 367
Osawatomie, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2020

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting as described in the *Kansas Municipal Audit and Accounting Guide* (KMAAG). The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above. Expenditures as reported on the Schedule are recognized under the basis described above and follow the cost principles contained in the Uniform Guidance regarding *Cost Principles* wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE C. INDIRECT COST RATES

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SPECIAL REPORTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education
Unified School district Number 367
Osawatomie, KS

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Unified School District Number 367, Osawatomie, KS, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated January 4, 2021. The District prepares its financial statement on a regulatory basis of accounting which demonstrates compliance with *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatements of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-01 that we consider to be a material weakness.

Compliance and Other Matters

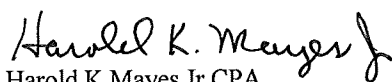
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Harold K Mayes Jr CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
January 4, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Unified School district Number 367
Osawatomie, KS

Report on Compliance for Each Major Federal Program

We have audited the District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report Internal Control over Compliance

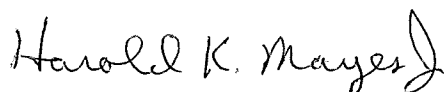
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2020-01 that we consider to be a material weakness

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Harold K Mayes Jr CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
January 4, 2021

**Unified School District Number 367
Osawatomie, Kansas**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2020

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited was prepared in accordance with GAAP:	<u>Adverse</u>
Type of report the auditor issued on whether the financial statement audited was prepared in accordance with regulatory basis:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>Yes</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<u>Yes</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>None reported</u>
Type of auditor's report issued on compliance for major federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>Yes</u>

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
10.553, 10.555, 10.559	Child Nutrition Cluster	\$ 691,253
Dollar threshold used to distinguish between Type A and Type B programs		<u>\$ 750,000</u>
Auditee qualified as a low-risk auditee?		<u>No</u>
Prior Year Schedule of Findings and Questioned Costs		Yes

**Unified School District Number 367
Osawatomie, Kansas**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2020**

Finding 2020-01

Grants affected 10.553, 10.555, 10.559

Criteria: Bank reconciliations should be performed on a timely basis and bank accounts reconciled to the general ledger.

Condition: Bank reconciliations for the year ended June 30, 2020 were not completed until months after the year-end and at times did not reconcile to the general ledger.

Cause: The District has implemented a new software and staff did not have the proper training on the software. Furthermore, the software is not designed for the basis of accounting used by the District making the transition from the former software to this one even more difficult.

Effect: As a result of the above bank reconciliations were not performed on a timely basis.

Recommendation: The District should consider proper training on the new software system and have staff perform the bank reconciliations timely and have the reconciliations reviewed by Board of Education on a monthly basis.

Response: The District will allocate additional district staff, with public accounting experience, to perform monthly bank reconciliations.

The District will allocate funding to allow for continue training on the Skyward Fiscal Management System.

The District will present monthly bank reconciliations to the BOE for approval.

**Unified School District Number 367
Osawatomie, Kansas**

**PRIOR YEAR SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2020**

Finding 2019-01

Grants affected 10.553, 10.555, 10.559 84.010 84.367 84.424

Criteria: Bank reconciliations should be performed on a timely basis and bank accounts reconciled to the general ledger.

Condition: Bank reconciliations for the year ended June 30, 2020 were not completed until months after the year-end and at times did not reconcile to the general ledger.

Cause: The District has implemented a new software and staff did not have the proper training on the software. Furthermore, the software is not designed for the basis of accounting used by the District making the transition from the former software to this one even more difficult.

Effect: As a result of the above bank reconciliations were not performed on a timely basis.

Recommendation: The District should consider proper training on the new software system and have staff perform the bank reconciliations timely and have the reconciliations reviewed by Board of Education on a monthly basis.

Follow-up: During the year 19-20 the District found itself dealing with Covid-19 and as a result was not able to devote the time needed to implement all of the recommendations. Therefore we have the same finding as last year.